

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4180-02
Bill No.: SB 737
Subject: Property, Real and Personal; Treasurer, State
Type: Original
Date: January 25, 2010

Bill Summary: Modifies the law relating to lost and unclaimed property.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	\$1,600,000	\$1,600,000	\$0
Total Estimated Net Effect on General Revenue Fund	\$1,600,000	\$1,600,000	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Department of Transportation, Missouri Department of Conservation, University of Central Missouri, Linn State Technical College, Lincoln University, Metropolitan Community College, Missouri Southern State University, Missouri Western State University, Truman State University, Cass County, City of Centralia, Missouri Local Government Employees Retirement System, County Employees' Retirement Fund, Public School and Education Employee Retirement Systems of Missouri, Francis Howell School District, Parkway School District, and Sheriffs' Retirement System** assume the proposal will have no fiscal impact on their organizations.

Officials from the **City of Kansas City** state the proposal would have a small negative fiscal impact on the City because it shortens the abandonment period on payroll checks. Occasionally the City of Kansas City issues payroll checks that are sometimes not cashed.

Oversight assumes the small negative fiscal impact that may be experienced by the City of Kansas City can be absorbed.

Officials from **Missouri State University (MSU)** state they will incur approximately \$900 in additional labor expense for accounting research for the year of implementation and will lose approximately \$709 in interest if this proposal becomes law.

Oversight assumes MSU will be able to absorb the \$900 in additional labor costs.

Officials from the **Office of State Treasurer (STO)** state when there is a change in unclaimed property regulations, approximately 50% of business comply the first year, even though the law has been set in statute. The remaining 50% of organizations comply with the changes in the second year. For this reason, the increase in unclaimed property has been divided between FY 11 and FY 12. The STO's Unclaimed Property Division reviewed the amount of payroll checks it receives annually that have been reported as abandoned. Based on this review, the STO assumes it will receive an additional \$1.6 million for each FY 11 and FY 12. No additional funds will be received thereafter.

Officials from the **Office of Administration** did not respond to our request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
GENERAL REVENUE FUND			
<u>Office of State Treasurer</u>			
Unclaimed payroll checks	<u>\$1,600,000</u>	<u>\$1,600,000</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$1,600,000</u>	<u>\$1,600,000</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2011 (10 Mo.)	 FY 2012	 FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Small Business</u>			

The proposal may have a minimal administrative impact on small businesses as they will be required to transmit unclaimed payroll checks to the Treasurer's Office after on year.

FISCAL DESCRIPTION

The abandonment period of payroll checks is reduced from five years to one year beginning January 1, 2011.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

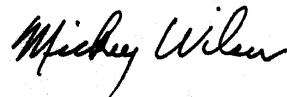
Missouri Department of Transportation
 Missouri Department of Conservation
 Office of State Treasurer
 University of Central Missouri
 Linn State Technical College
 Lincoln University
 Metropolitan Community College
 Missouri State University
 Missouri Southern State University
 Missouri Western State University

HWC:LR:OD

SOURCES (continued)

Truman State University
Cass County
City of Centralia
City of Kansas City
Missouri Local Government Employees Retirement System
County Employees' Retirement Fund
Public School and Education Employee Retirement Systems of Missouri
Francis Howell School District
Parkway School District
Sheriffs' Retirement System

NOT RESPONDING: Office of Administration

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
January 25, 2010